

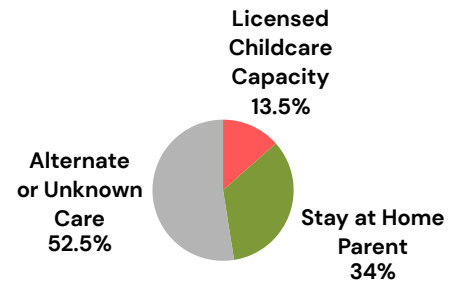
Ketchikan Childcare By The Numbers 2025

Childcare Supply Gap

Families need more care than the current system provides. Ketchikan currently has 7 licensed childcare programs, down from 15 and a net loss of 146 spots since 2017.

- There are **1396**¹ children in Ketchikan ages 0–9.
- Approximately **921**⁶ (66%) need some type of childcare because all family members are in the workforce.
- Current licensed childcare capacity is **188**² spots.
- Approximately **733** (80%) of the children who need care are in unknown arrangements.

Care Types for All Children



The Cost of Care

A space costs more to operate than tuition can reliably cover.

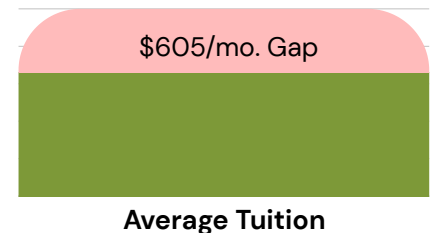
A McKinley Research Group study shows that the average cost of providing care is **\$1,785**⁵ per month.

In Ketchikan, childcare costs an average of **\$1180**³ per month. This is 13% of the median household income, which is \$92,885.

This leaves a **\$605** per-month gap that cannot be passed on to parents due to affordability constraints.

● Monthly Tuition: \$1180

● True Cost: \$1785

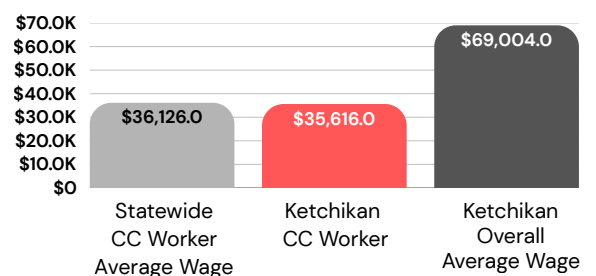


Wages as Cost Driver

Operating costs are high because safe care is labor-intensive. A living wage in Ketchikan is **\$49,664**⁴ annually. Early educators fall well below this.

In 2025, the average annual wage for a childcare worker in Ketchikan was **\$35,616**³.

Average Wage for Childcare Workers



Sources: 1-US Census Bureau; 2-SOA Childcare Program Office Provider Search; 3-Southeast Childhood Collective; 4-MIT Living Wage Calculator, <https://livingwage.mit.edu/counties/02110>; 5-McKinley Research Group. Alaska Child Care Cost of Care Study. Alaska Department of Health, 2024; 6-Bureau of Labor Statistics, <https://www.bls.gov/news.release/famee.htm>.

A Market Under Pressure

Ketchikan's child care businesses do not generate enough revenue to fully support the cost of providing care. Tuition is among the lowest in Southeast Alaska, limiting the resources available to businesses for staffing and day-to-day operations. Low compensation is a significant driver of the child care supply shortage, making it difficult for programs to recruit and retain enough staff to maintain or expand capacity. Since 2017, eight licensed programs representing 146 child care spaces have closed. This is the central market failure: the price families can afford does not generate enough revenue to sustain the supply of care the community needs.

Urgent Fix Needed: Subsidy Rate Cycle

Ketchikan is also disadvantaged by comparatively low subsidy rates in the Child Care Assistance Program (CCAP). Under the State's proposed rate schedule, the full-month rate for infant care at a licensed center would be \$1,111 in Ketchikan, compared with \$1,400 in both Juneau and Sitka. Ketchikan's proposed rates would also remain lower than both communities for toddler and preschool care.

This disparity reflects the State's reliance on market prices to set subsidy rates rather than the actual cost of providing care. In a market where providers already keep tuition low because families cannot afford higher costs, the methodology creates a reinforcing cycle: low tuition leads to low subsidy rates, which in turn limits the revenue available to sustain care. Alaska's 2024 Cost of Care Study identified this problem, noting that many providers set their prices in relation to the CCAP rate schedule and that a cost-based approach could better reflect the true cost of providing care.

Building a More Sustainable Market

A top priority for Ketchikan should be advocating for CCAP rates that more accurately reflect the cost of providing childcare in the community. Correcting the current disparity could bring additional resources into Ketchikan's existing childcare businesses without shifting those costs directly to families. Local investment in a start-up and operating grant program like the Juneau model could build on that foundation to help close the remaining gap between the cost of providing care and available revenue, supporting stronger wages, more stable staffing, and additional childcare capacity.

